



Grant Thornton

Financial Statements

WoodGreen Red Door Family Shelter

March 31, 2013 and 2012

WOODGREEN RED DOOR FAMILY SHELTER
2013 and 2012 Financial Statements

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Independent Auditor's Report

To the Directors of
WoodGreen Red Door Family Shelter

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We have audited the accompanying financial statements of WoodGreen Red Door Family Shelter, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit qualified opinion.

Basis for qualified opinion

In common with many charitable organizations, WoodGreen Red Door Family Shelter derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of WoodGreen Red Door Family Shelter and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of WoodGreen Red Door Family Shelter as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Grant Thornton LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
June 27, 2013

WOODGREEN RED DOOR FAMILY SHELTER
Statements of Financial Position
As at

| | March 31, 2013 | March 31, 2012 | April 1, 2011 |
|--|-------------------|-------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 677,532 | \$ 400,329 | \$ 375,141 |
| Other receivables | 54,511 | 51,750 | 66,931 |
| Grants receivable | 67,158 | 86,001 | 87,009 |
| Prepaid expenses and deposits | 180,388 | 139,966 | 53,572 |
| | 979,589 | 678,046 | 582,653 |
| Property and equipment (note 4) | 1,292,683 | 1,418,508 | 1,550,347 |
| | \$ 2,272,272 | \$ 2,096,554 | \$ 2,133,000 |
| LIABILITIES AND NET ASSETS | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | \$ 241,051 | \$ 224,111 | \$ 243,261 |
| Deferred revenue - grants and contributions (note 6) | 60,442 | 200,185 | 201,000 |
| Mortgage payable - current portion (note 7) | 317,256 | 24,322 | 23,098 |
| | 618,749 | 448,618 | 467,359 |
| Deferred revenue - property and equipment (note 6) | 453,492 | 488,042 | 512,350 |
| Mortgage payable (note 7) | - | 317,383 | 341,850 |
| | 1,072,241 | 1,254,043 | 1,321,559 |
| Net assets | | | |
| Unrestricted | 234,444 | 150,550 | 35,192 |
| Internally restricted - Scholarship | 65,836 | 62,417 | 93,200 |
| Internally restricted - Board Designated | 377,816 | 40,783 | 10,000 |
| Invested in property and equipment | 521,935 | 588,761 | 673,049 |
| | 1,200,031 | 842,511 | 811,441 |
| | \$ 2,272,272 | \$ 2,096,554 | \$ 2,133,000 |

See accompanying notes

On behalf of the Board

Director

Director

WOODGREEN RED DOOR FAMILY SHELTER
Statements of Operations
Years ended March 31

| | 2013 | 2012 |
|--|------------------|-----------------|
| Revenue | | |
| City of Toronto | \$ 2,473,549 | \$ 2,510,472 |
| MCSS Funding | 1,951,961 | 1,951,722 |
| Donations and fundraising | 756,636 | 448,629 |
| City of Toronto Housing Help Fund | 232,184 | 232,184 |
| City of Toronto Personal Needs Allowance | 154,527 | 191,383 |
| Pay equity | 82,092 | 82,092 |
| Miscellaneous | 21,607 | 22,728 |
| Interest | 2,055 | 2,662 |
| | <hr/> 5,674,611 | <hr/> 5,441,872 |
| Expenses | | |
| Salaries and benefits | 3,141,935 | 3,080,093 |
| Occupancy | 551,295 | 538,389 |
| Residents' needs | 544,283 | 669,793 |
| City of Toronto Housing Help Fund | 238,249 | 232,267 |
| Administrative | 237,886 | 283,964 |
| Consulting fees | 195,907 | 183,409 |
| Personal needs allowance | 154,527 | 191,383 |
| Amortization | 125,825 | 137,738 |
| Professional fees | 66,235 | 18,641 |
| Moving | 43,277 | 53,832 |
| Mortgage interest | 14,021 | 15,226 |
| Fundraising | 3,651 | 6,067 |
| | <hr/> 5,317,091 | <hr/> 5,410,802 |
| Excess of revenue over expenses | <hr/> \$ 357,520 | <hr/> \$ 31,070 |

See accompanying notes

WOODGREEN RED DOOR FAMILY SHELTER
Statements of Changes in Net Assets
Years ended March 31

| | Unrestricted | Internally restricted - Scholarship | Internally restricted - Board Designated | Invested in property and equipment | 2013 Total |
|---|---------------------|--|---|---|-----------------------|
| Balance, beginning of year | \$ 150,550 | \$ 62,417 | \$ 40,783 | \$ 588,761 | \$ 842,511 |
| Excess (deficiency) of revenue over expenses | 448,795 | - | - | (91,275) | 357,520 |
| Repayment of mortgage | (24,449) | - | - | 24,449 | - |
| Interfund transfer | (340,452) | 3,419 | 337,033 | - | - |
| Balance, end of year | \$ 234,444 | \$ 65,836 | \$ 377,816 | \$ 521,935 | \$ 1,200,031 |

| | Unrestricted | Internally restricted - Scholarship | Internally restricted - Board Designated | Invested in property and equipment | 2012 Total |
|--|---------------------|--|---|---|-----------------------|
| Balance, beginning of year | \$ 35,192 | \$ 93,200 | \$ 10,000 | \$ 673,049 | \$ 811,441 |
| Excess of revenue over expenses | 134,258 | - | - | (103,188) | 31,070 |
| Purchase of property and equipment | (5,899) | - | - | 5,899 | - |
| Repayment of mortgage | (23,243) | - | - | 23,243 | - |
| Deferred revenue - property and equipment | 10,242 | - | - | (10,242) | - |
| Interfund transfer | - | (30,783) | 30,783 | - | - |
| Balance, end of year | \$ 150,550 | \$ 62,417 | \$ 40,783 | \$ 588,761 | \$ 842,511 |

See accompanying notes

WOODGREEN RED DOOR FAMILY SHELTER
Statements of Cash Flows
Years ended March 31

| | 2013 | 2012 |
|--|-------------------|-------------------|
| Operating activities | | |
| Excess of revenue over expenses | \$ 357,520 | \$ 31,070 |
| Items not involving cash | | |
| Amortization | 125,825 | 137,738 |
| Deferred revenue - recognized | (232,341) | (231,512) |
| | <u>251,004</u> | <u>(62,704)</u> |
| Net change in non-cash working capital items | | |
| Other receivables | (2,761) | 15,181 |
| Grants receivable | 18,843 | 1,008 |
| Prepaid expenses and deposits | (40,422) | (86,394) |
| Accounts payable and accrued liabilities | 16,940 | (19,150) |
| | <u>(7,400)</u> | <u>(89,355)</u> |
| Deferred revenue - property and equipment | - | 10,242 |
| Deferred revenue - grants and contributions | 58,048 | 196,147 |
| | <u>58,048</u> | <u>206,389</u> |
| Cash flows from operating activities | <u>301,652</u> | <u>54,330</u> |
| Financing activity | | |
| Repayment of mortgage payable and cash flows from financing activity | (24,449) | (23,243) |
| Investing activity | | |
| Purchase of property and equipment and cash flows from investing activity | - | (5,899) |
| Net change in cash and cash equivalents during the years | 277,203 | 25,188 |
| Cash and cash equivalents, beginning of years | 400,329 | 375,141 |
| Cash and cash equivalents, end of years | <u>\$ 677,532</u> | <u>\$ 400,329</u> |
| Cash and cash equivalents consist of the following: | | |
| Cash | \$ 618,532 | \$ 311,829 |
| Guaranteed Investment Certificate, bearing interest at 2.55%, maturing on June 15, 2012 (2012 - 2.55% and June 15, 2012) | - | 29,500 |
| Guaranteed Investment Certificate, bearing interest at 3.05%, maturing on June 17, 2013 (2012 - 3.05% and June 17, 2013) | 29,500 | 29,500 |
| Guaranteed Investment Certificate, bearing interest at 3.4%, maturing on June 16, 2014 (2012 - 3.4% and June 16, 2014) | 29,500 | 29,500 |
| | <u>\$ 677,532</u> | <u>\$ 400,329</u> |

See accompanying notes

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements

Years ended March 31, 2013 and March 31, 2012

1. Nature of operations

WoodGreen Red Door Family Shelter ("Red Door") is an organization incorporated under the laws of Ontario without share capital and is registered with the Canada Revenue Agency as a charitable organization within the meaning of the Income Tax Act and is therefore exempt from income taxes. The purpose of Red Door is to provide emergency shelter and other support services to abused women and families in crisis.

The operations of Red Door are dependent on the funding it receives from the City of Toronto and the Ministry of Community and Social Services (MCSS).

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant of which are outlined below.

Internally restricted net assets

The Board of Directors has internally restricted net assets for a Scholarship fund and a Board Designated fund as follows:

The Scholarship fund was created to commemorate Red Door's 20 year anniversary and reflects the activities related to the provision of financial assistance for education and training.

The Board Designated fund was created to provide a reserve of two weeks to three months of operating costs for unanticipated operating and capital expenses to minimize the impact on the normal operations of the Queen Street location.

From time to time, the Board of Directors may internally restrict net assets for the specific purposes as described above. These internally restricted net assets are not available for other purposes without the approval of the Board of Directors.

Revenue recognition

Red Door follows the deferral method of accounting for externally restricted grants and contributions whereby, externally restricted grants and contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Unrestricted grants and contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Grants and contributions received specifically for property and equipment are deferred and recognized as revenue on the same basis as the amortization related to the acquired property and equipment.

Donated material and services

The work of Red Door is supplemented by donations of used clothing and household items and the voluntary services of members and volunteers. Since these donated goods and services are not normally purchased and because of the difficulty of determining their fair value, the value of donated goods and services are not recognized in these financial statements.

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements

Years ended March 31, 2013 and March 31, 2012

2. Summary of significant accounting policies — continued

Cash and cash equivalents

Cash and cash equivalents consist of cash and Guaranteed Investment Certificates (GICs) that are recorded at fair value.

Property and equipment

The property and equipment purchased by Red Door is recorded at cost less amortization. Contributed property and equipment is recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Tangible

| | |
|------------------------|-------------|
| Building | 20 years |
| Furniture and fixtures | 5 years |
| Leasehold improvements | 2 - 5 years |
| Office equipment | 5 years |
| Kitchen equipment | 5 years |
| Computer equipment | 3 years |
| Vehicles | 5 years |

Intangible

| | |
|--------------------|---------|
| HR software system | 5 years |
|--------------------|---------|

Financial instruments

Red Door considers any contract creating a financial asset, liability or equity instrument a financial instrument, except in certain limited circumstances. Red Door accounts for the following as financial instruments:

- cash and cash equivalents
- other receivables
- grants receivable
- accounts payable
- mortgage payable

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are measured at their exchange amount. Red Door subsequently measures all of its financial assets and financial liabilities at amortized cost.

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements

Years ended March 31, 2013 and March 31, 2012

3. First-time adoption of ASNPO-based accounting standards

These financial statements are the first financial statements for which Red Door has applied ASNPO. Comparative period information was prepared in accordance with ASNPO under the provisions set out in Section 1501 of the CICA Handbook - First-time adoption by not-for-profit organizations.

The date of transition to ASNPO is April 1, 2011. Red Door's transition to ASNPO has had no impact on the opening net assets as at April 1, 2011 or the statement of revenue and expenses or cash flows for the year ended March 31, 2012. As a result, the reconciliations and disclosures required by Section 1501 First-time adoption for not-for-profit organizations are not necessary and have not been presented in these financial statement notes.

4. Property and equipment

| | Cost | Accumulated amortization | March 31, 2013 Net |
|------------------------|---------------------|-----------------------------|--------------------------|
| Tangible | | | |
| Land | \$ 147,001 | \$ - | \$ 147,001 |
| Building | 2,002,480 | 885,107 | 1,117,373 |
| Furniture and fixtures | 235,847 | 226,824 | 9,023 |
| Leasehold improvements | 157,582 | 157,582 | - |
| Office equipment | 86,127 | 81,506 | 4,621 |
| Kitchen equipment | 65,744 | 55,337 | 10,407 |
| Computer equipment | 64,518 | 61,897 | 2,621 |
| Vehicles | 52,626 | 52,626 | - |
| Intangible | | | |
| HR software system | 37,277 | 35,640 | 1,637 |
| | <u>\$ 2,849,202</u> | <u>\$ 1,556,519</u> | <u>\$ 1,292,683</u> |

| | Cost | Accumulated amortization | March 31, 2012 Net |
|------------------------|---------------------|-----------------------------|--------------------------|
| Tangible | | | |
| Land | \$ 147,001 | \$ - | \$ 147,001 |
| Building | 2,002,480 | 784,983 | 1,217,497 |
| Furniture and fixtures | 235,847 | 220,277 | 15,570 |
| Leasehold improvements | 157,582 | 157,582 | - |
| Office equipment | 86,127 | 80,327 | 5,800 |
| Kitchen equipment | 65,744 | 47,677 | 18,067 |
| Computer equipment | 64,518 | 59,037 | 5,481 |
| Vehicles | 52,626 | 52,626 | - |
| Intangible | | | |
| HR software system | 37,277 | 28,185 | 9,092 |
| | <u>\$ 2,849,202</u> | <u>\$ 1,430,694</u> | <u>\$ 1,418,508</u> |

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements

Years ended March 31, 2013 and March 31, 2012

4. Property and equipment — continued

| | Cost | Accumulated amortization | April 1, 2011 Net |
|------------------------|---------------------|-----------------------------|-------------------------|
| Tangible | | | |
| Land | \$ 147,000 | \$ - | \$ 147,000 |
| Building | 2,002,480 | 684,860 | 1,317,620 |
| Furniture and fixtures | 235,847 | 210,836 | 25,011 |
| Leasehold improvements | 157,581 | 147,659 | 9,922 |
| Kitchen equipment | 65,744 | 39,839 | 25,905 |
| Computer equipment | 64,518 | 56,178 | 8,340 |
| Vehicles | 52,627 | 52,627 | - |
| Intangible | | | |
| HR software system | 37,277 | 20,728 | 16,549 |
| | <u>\$ 2,763,074</u> | <u>\$ 1,212,727</u> | <u>\$ 1,550,347</u> |

Pursuant to a renovation grant agreement with MCSS, Red Door must obtain approval from MCSS prior to a disposition of the land and building housing the abused woman shelter, as well as, provide MCSS with the proceeds on disposition of the property in proportion to MCSS's share of the approved costs for the renovation.

5. Bank indebtedness

Red Door has a demand operating facility of \$150,000 which is undrawn upon as at March 31, 2013, March 31, 2012 and April 1, 2011. The facility bears interest at prime plus 1% (March 31, 2012 - prime plus 1%; April 1, 2011 - prime plus 1%) and is secured by a general security agreement.

6. Deferred revenue

| | Contributions and grants | Property and equipment | March 31, 2013 Total |
|--|-----------------------------|---------------------------|----------------------------|
| Deferred revenue, beginning of year | \$ 200,185 | \$ 488,042 | \$ 688,227 |
| Funds received | 58,048 | - | 58,048 |
| Less: revenue recognized during the year | (197,791) | (34,550) | (232,341) |
| Balance, end of year | <u>\$ 60,442</u> | <u>\$ 453,492</u> | <u>\$ 513,934</u> |

| | Contributions and grants | Property and equipment | March 31, 2012 Total |
|--|-----------------------------|---------------------------|----------------------------|
| Deferred revenue, beginning of year | \$ 201,000 | \$ 512,350 | \$ 713,350 |
| Funds received | 196,147 | 10,242 | 206,389 |
| Less: revenue recognized during the year | (196,962) | (34,550) | (231,512) |
| Balance, end of year | <u>\$ 200,185</u> | <u>\$ 488,042</u> | <u>\$ 688,227</u> |

WOODGREEN RED DOOR FAMILY SHELTER
Notes to Financial Statements
Years ended March 31, 2013 and March 31, 2012

7. Mortgage payable

| | March 31, 2013 | March 31, 2012 | April 1, 2011 |
|---|-------------------|-------------------|-------------------|
| Mortgage payable, repayable in blended monthly payments of interest and principal in the amount of \$3,206, bearing interest at 4.279%, due May 1, 2013, secured by the land and building | \$ 317,256 | \$ 341,705 | \$ 364,948 |
| Less: current portion | (317,256) | (24,322) | (23,098) |
| | <u>\$ -</u> | <u>\$ 317,383</u> | <u>\$ 341,850</u> |

Subsequent to the year end, the mortgage was refinanced with the following terms effective May 1, 2013: blended monthly principal payments in the amount of \$3,127, bearing interest at 3.74%, due May 1, 2018, secured by the land and building. Accordingly, the future principal obligations are as follows:

Accordingly, the future principal obligations are as follows:

| | |
|------|-------------------|
| 2014 | \$ 26,350 |
| 2015 | 27,342 |
| 2016 | 28,737 |
| 2017 | 29,448 |
| 2018 | <u>205,379</u> |
| | <u>\$ 317,256</u> |

8. Financial instruments

Red Door has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The risks that arise from financial instruments include interest rate risk and credit risk. It is management's opinion that Red Door is not exposed to significant currency, interest rate cash flow, liquidity or market risks arising from its financial instruments.

Interest rate risk

Red Door's financial instruments expose it to interest rate risk due to its investments and mortgage payable with fixed interest rates. This risk is mitigated by Red Door by investing in or utilizing instruments which have a low susceptibility to significant fluctuations in market interest rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its funding obligation. This risk is mitigated by Red Door through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (March 31, 2012 - \$Nil; April 1, 2011 - \$Nil).

WOODGREEN RED DOOR FAMILY SHELTER

Notes to Financial Statements

Years ended March 31, 2013 and March 31, 2012

9. Commitments

Red Door is committed to leases for its premises and equipment as follows:

| | | |
|------|----|---------|
| 2014 | \$ | 151,034 |
| 2015 | | 92,471 |
| 2016 | | 74,484 |
| 2017 | | 33,278 |
| 2018 | | 1,182 |

10. Agreement to acquire premises

In 2012, Red Door entered into a purchase and sale agreement for the land and building it leases for its Queen Street location and then subsequently assigned this right to a third party. In exchange, the third party has agreed to provide Red Door a turnkey shelter for it to purchase.

WOODGREEN RED DOOR FAMILY SHELTER
Statements of General Revenues and Operations - Schedule A
Years ended March 31, 2013 and March 31, 2012

This schedule is prepared specifically for the City of Toronto. As a result, expenses are grouped as prescribed by the City of Toronto Shelter, Support and Housing Administrative Division guidelines.

| | 2013 | | 2012 | |
|---|------------------|--------------------|------------------|--------------------|
| | Queen St. | Housing & Outreach | Queen St. | Housing & Outreach |
| Revenue | | | | |
| City of Toronto | \$ 2,473,549 | \$ - | \$ 2,510,472 | \$ - |
| City of Toronto Personal Needs Allowance | 105,679 | - | 142,817 | - |
| City of Toronto Housing Help Fund | - | 232,184 | - | 232,184 |
| Miscellaneous | 3,763 | - | 3,952 | - |
| | <u>2,582,991</u> | <u>232,184</u> | <u>2,657,241</u> | <u>232,184</u> |
| Expenses | | | | |
| Salaries and benefits | 1,748,564 | 238,249 | 1,693,186 | 230,801 |
| Food services | 238,929 | - | 294,464 | - |
| Materials and services | 160,908 | - | 144,801 | - |
| Building maintenance and services | 115,701 | - | 117,767 | - |
| Personal needs allowance | 105,679 | - | 142,817 | - |
| Resident personal needs | 59,780 | - | 82,491 | - |
| Property management | 99,424 | - | 97,276 | 615 |
| Utilities | 69,386 | - | 69,272 | - |
| Transportation and communications | 11,293 | - | 11,898 | 851 |
| | <u>2,609,664</u> | <u>238,249</u> | <u>2,653,972</u> | <u>232,267</u> |
| Excess (deficiency) of revenues over expenses for the year before amortization | (26,673) | (6,065) | 3,269 | (83) |
| Amortization | (14,208) | - | (17,280) | - |
| Deficiency of revenues over expenses for the year | \$ (40,881) | \$ (6,065) | \$ (14,011) | \$ (83) |

See accompanying notes